

Message Text

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PAGE 01 MONTEV 03356 152030Z

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ACTION COME-00

INFO OCT-01 ARA-10 ISO-00 EB-07 FEA-01 TRSE-00 RSC-01 /020 W

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R 152007Z NOV 74

FM AMEMBASSY MONTEVIDEO

TO SECSTATE WASHDC 7673

INFO AMEMBASSY BUENOS AIRES

UNCLAS MONTEVIDEO 03356

E.O. 11652: N/A

TAGS: ECRE, ELTN, BTIO, UY

SUBJ: PETROLEUM BUOY PROJECT: MORE EXPENSIVE THAN THOUGHT

REF: (A) MONTEVIDEO 3086; B) MONTEVIDEO A-157 10/10/74

1. SECOND STEP OF PETROLEUM BUOY PROJECT COMPLETED
NOVEMBER 12 WITH OPENING OF PROPOSALS SUBMITTED
BY THREE COMPANIES WHO QUALIFIED AT FIRST STEP
(REF A). BID PROCESS NOW CALLS FOR ANCAP TO
STUDY AND DETERMINE WHICH PROPOSAL TO ACCEPT.
STUDY WILL PROBABLY TAKE SEVERAL MONTHS AFTER WHICH
CONTRACT WOULD BE NEGOTIATED WITH WINNER.

2. ALL THREE BIDS ARE REPORTED IN PRESS TO BE OVER
\$40 MILLION, WHICH IS CONSIDERABLY HIGHER THAN
PREVIOUS ESTIMATES. IDB HAD AGREED TO FINANCE
61 PERCENT OR \$10 MILLION OF PROJECT WHEN ITS ESTI-
MATED COST WAS APPROXIMATELY \$16.4 (MVD A-150
10/13/73). COST ESTIMATE THEN JUMPED TO \$25 MILLION
BUT WE ARE NOT AWARE OF ANY ARRANGEMENTS FOR ADDITIONAL FINANCING
OF THAT ESTIMATE, MUCH LESS FOR THE ALLEGED NEW FIGURE.

3. COMMENT: NO US COMPANIES BID ON THIS "TURNKEY" PROJECT.
NEVERTHELESS, IF ADDITIONAL FINANCING IS FORTHCOMING
AND PROJECT IS UNDERTAKEN, US COMPANIES SHOULD BE IN A
GOOD POSITION TO PROVIDE EQUIPMENT TO FIRM WHICH
EVENTUALLY AWARDED CONTRACT.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, PETROLEUM PIPELINES, PROPOSALS (BID), PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 15 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MONTEV03356
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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From: MONTEVIDEO
Handling Restrictions: n/a
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Reference: (A) MONTEVIDEO 3086; B) MONTEVIDEO A, -157 10/10/74
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Review Markings:

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30 JUN 2005

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